



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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February 17, 2021

The Honorable Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen St., Annapolis, MD 21401

Re: TechNet Favorable support for SB 688 – Peer-to-Peer Car Sharing

Dear Chair Guzzone and members of the Committee,

On behalf of TechNet's member companies, I respectfully submit this letter of support for SB 688.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. Our diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over three million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

Peer-to-peer car sharing platforms allow Maryland residents to offer up the use of their personal vehicles for a fee. They provide an innovative, flexible, and affordable mobility service in addition to opportunities for individuals to generate additional income by leveraging their personal vehicles. Unlike rental car companies, these platform operators do not own or operate a fleet of vehicles; they simply provide the marketplace for these transactions to take place. SB 688 appropriately recognizes this by clarifying these platforms' status as marketplace facilitators.

Innovation flourishes when policies allow new services and technologies the space to compete on a level playing field with incumbent industries. SB 688 will promote innovation and economic activity by properly classifying peer-to-peer car sharing platforms alongside other platform operators. SB 688 sends a message that Maryland is serious about allowing innovative industries to enter the marketplace without undue barriers.

The bill further encourages fair competition by normalizing the tax rate on all rental transactions at 8% while repealing an outdated tax loophole that exclusively advantages the incumbent rental car industry and costs the state of Maryland over \$76 million annually in foregone revenue.

In addition to predictable and even-handed regulatory structures, technology companies also require a pipeline of educated talent to thrive. By directing the revenues generated by eliminating the tax loophole on rental car fleets to funding Historically Black Colleges and Universities, Maryland will further cement itself as a leader in the innovation economy.

Thank you for your consideration of this testimony. We hope that SB 688 is reported favorably from committee. Please do not hesitate to contact me if I can provide any additional information or assistance.

Sincerely,



Christopher Gilrein
Executive Director, Massachusetts and the Northeast
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